

UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
ORLANDO DIVISION

IN RE:	)	
	)	
MAD ENTERPRISE GROUP, LLC	)	CASE # 6:17-bk-04071-CCJ
	)	
Debtor.	)	CHAPTER 7
_____ /	)	
	)	
RICHARD B. WEBBER II, TRUSTEE	)	
	)	
Plaintiff,	)	ADV. NO. 6:19-ap-_____
vs.	)	
	)	
DEFENSE SYSTEMS GROUP, INC.,	)	
AJB CAPITAL GROUP, LLC,	)	
MICHELLE CHARLES and	)	
CORNELIS P. BOUWMEESTER,	)	
	)	
Defendants.	)	
_____ /	)	

ADVERSARY PROCEEDING COMPLAINT TO AVOID AND RECOVER FRAUDULENT  
TRANSFERS PURSUANT TO §§548, 550 AND 551 OF THE BANKRUPTCY CODE

Comes Now Plaintiff, Richard B. Webber II, as Trustee of the Estate of the above-named Debtor (“Plaintiff” or “Trustee”), and sues Defendants, Defense Systems Group, Inc., AJB Capital Group, LLC, Michelle Charles, and Cornelis P. Bouwmeester, seeking to avoid and recover fraudulent transfers pursuant to Section 548(a), Section 550 and Section 551 of the Bankruptcy Code; and in support thereof states as follows:

PARTIES

1. The Debtor, Mad Enterprise Group, LLC (“Debtor”), filed a voluntary Chapter 7 Bankruptcy Petition on June 20, 2017 (“Petition”).
2. Plaintiff was appointed by the Court to act as Chapter 7 Trustee of the Estate, and in so acting has authority to, and does, bring this action.

3. Defendant, Defense Systems Group, Inc. is a Montana Corporation.
4. Defendant, AJB Capital Group, LLC is a Florida Limited Liability Company.
5. Defendant, Cornelis P. Bouwmeester is an Individual residing in The Villages, Florida.
6. Michelle Charles is an Individual residing in Windermere, Florida.

#### JURISDICTION

7. Debtors' Chapter 7 case is pending in the United States Bankruptcy Court in the Middle District of Florida, Orlando Division, Case 6:17-bk-04071-CCJ.
8. This proceeding is a "core proceeding" pursuant to 11 U.S.C. §157(b)(2)(H) and (J).
9. This Court has jurisdiction pursuant to 28 U.S.C. §1334 and 28 U.S.C. §157.
10. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

#### FACTS

11. The Debtor, Mad Enterprises, Inc., is a Florida Corporation.
12. Howard Bassuk is the principal of the Debtor and an Insider.
13. Defendant, Defense Systems Group, Inc., is a Montana Corporation and Howard Bassuk is the principal.
14. Defendant, AJB Capital Group, LLC, is a Florida Limited Liability Company and Howard Bassuk is the Member.
15. Defendant, Michelle Charles, is the former spouse of Howard Bassuk.
16. Defendant, Cornelis P. Bouwmeester, is the step-father of Howard Bassuk.

17. Debtor transferred \$765,320.10 via wire on January 12, 2016 from City National Bank Account Number 0382 to AJB Capital Group, LLC Wells Fargo Bank Account Number 6710.

18. Debtor withdrew \$303,668 on February 1, 2016 from Chase Account Number 3815.

19. Debtor withdrew another \$303,668 on February 6, 2016 from Chase Account Number 3815.

20. Debtor transferred \$310,000 via wire on February 19, 2016 from its Chase Account Number 3815 to Defense Systems Group, Inc. Wells Fargo Bank Account Number 7945.

21. Defense Systems Group, Inc. deposited \$303,698 on February 19, 2016 into Wells Fargo Bank Account Number 7945.

22. Defense Systems Group, Inc. deposited \$135,233.70 on February 19, 2016 into Wells Fargo Bank Account Number 7945.

23. Debtor transferred \$200,000 via wire on March 31, 2016 from its Chase Account Number 3815 to Defense Systems Group, Inc. Wells Fargo Bank Account Number 7945.

24. AJB Capital Group, LLC transferred \$90,000 via wire on June 24, 2016 from Wells Fargo Bank Account Number 6710 to Cornelis P. Bouwmeester Bank of America Account.

25. AJB Capital Group, LLC transferred \$100,000 via wire on June 30, 2016 from Wells Fargo Bank Account Number 6710 to Michelle Charles Account Number 2103.

COUNT I: DEFENSE SYSTEMS GROUP, INC.  
ACTUAL FRAUD UNDER 11 U.S.C. §§ 548(a)(1)(A) and 551

26. Plaintiff incorporates all of the foregoing paragraphs 1 through 25 herein as if set forth verbatim.

27. This is a Count to avoid and recover fraudulent transfers to Defendant, Defense Systems, Group, Inc., pursuant to Section 548(a)(1)(A) and Section 551 of the Bankruptcy Code.

28. The transfers of \$948,931.70 to Defendant, Defense Systems Group, Inc., by the Debtor, occurred within two (2) years of the Petition.

29. The transfers of \$948,931 to Defendant, Defense Systems Group, Inc., by the Debtor, was done with the actual intent to hinder, delay or defraud a creditor.

WHEREFORE, the Trustee demands judgment against Defendant, Defense Systems Group, Inc., determining that the transfers of \$948,931.70 were fraudulent and avoidable under Section 548(a)(1)(A) of the Bankruptcy Code and preserving the avoided transfer pursuant to Section 551 of the Bankruptcy Code for the benefit of the Estate and entering judgment in favor of the Trustee against Defendant, Defense Systems Group, Inc., in the amount of \$948,931.70 and for such other relief as is just and proper under the circumstances of this Adversary Proceeding.

COUNT II: DEFENSE SYSTEMS GROUP, INC.  
CONSTRUCTIVE FRAUD UNDER 11 U.S.C. §§ 548(a)(1)(B) and 551

30. Plaintiff incorporates all of the foregoing paragraphs 1 through 25 herein by reference as set forth verbatim.

31. This is a Count against Defendant, Defense Systems Group, Inc., to avoid and recover fraudulent transfers pursuant to Section 548(a)(1)(B) and Section 551 of the Bankruptcy Code.

32. The Debtor received less than reasonably equivalent value for the transfers of \$948,931.70, and was insolvent on the date such transfers were made or was rendered insolvent by the transfers and made such transfers to the benefit of an Insider.

33. The transfers to Defendant, Defense Systems Group, Inc., are avoidable pursuant to Section 548(a)(1)(B) as constructively fraudulent.

34. Pursuant to Section 551 of the Bankruptcy Code, Plaintiff is entitled to recover from Defendant, Defense Systems Group, Inc., all transfers avoidable under Section 548(a)(1)(B) for the benefit of the Estate.

WHEREFORE, Trustee demands judgment against Defendant, Defense Systems Group, Inc., determining the transfers of the \$948,931.70 are constructively fraudulent and avoidable pursuant to Section 548(a)(1)(B) of the Bankruptcy Code and preserving the avoided transfers for the benefit of the Estate pursuant to Section 551 of the Bankruptcy Code and entering judgment in favor of the Trustee against Defendant, Defense Systems Group, Inc., in the amount of \$948,931.70 and for such other relief as is just and proper under the circumstances of this Adversary Proceeding.

COUNT III: AJB CAPITAL GROUP, LLC  
ACTUAL FRAUD UNDER 11 U.S.C. §§ 548(a)(1)(A) and 551

35. Plaintiff incorporates all of the foregoing paragraphs 1 through 25 herein by reference as if set forth verbatim.

36. This is a Count to avoid and recover a fraudulent transfer to Defendant, AJB Capital Group, LLC, pursuant to Section 548(a)(1)(A) and Section 551 of the Bankruptcy Code.

37. The transfer of \$765,320.10 to Defendant, AJB Capital Group, LLC, by Debtor, occurred within two (2) years of the Petition.

38. The transfer of \$765,320.10 to Defendant, AJB Capital Group, LLC, by Debtor, was done with actual intent to hinder, delay or defraud a creditor.

WHEREFORE, Trustee demands judgment against Defendant, AJB Capital Group, LLC, determining the transfer of \$765,320.10 was fraudulent and avoidable under Section 548(a)(1)(A) of the Bankruptcy Code and preserving the avoided transfer pursuant to Section 551 of the

Bankruptcy Code for the benefit of the Estate and entering judgment in favor of the Trustee and against the Defendant, AJB Capital Group, LLC, in the amount of \$765,320.10 and for such other relief as is just and proper under the circumstances of this Adversary Proceeding.

COUNT IV: AJB CAPITAL GROUP, LLC.  
CONSTRUCTIVE FRAUD UNDER 11 U.S.C. §§ 548(a)(1)(B) and 551

39. Plaintiff incorporates all of the foregoing paragraphs 1 through 25 herein as if set forth verbatim.

40. This is a Count against Defendant, AJB Capital Group, LLC, to avoid and recover a fraudulent transfer pursuant to Section 548(a)(1)(B) and Section 551 of the Bankruptcy Code.

41. The Debtor received less than reasonably equivalent value for the transfer of \$765,320.10 to Defendant, AJB Capital Group, LLC, and was insolvent on the date such transfer was made or was rendered insolvent by the transfer to the benefit of an Insider.

42. The transfer of \$765,320.10 to Defendant, AJB Capital Group, LLC, is avoidable pursuant to Section 548(a)(1)(B) of the Bankruptcy Code as constructively fraudulent.

43. Pursuant to Section 551 of the Bankruptcy Code, Plaintiff is entitled to recover from Defendant, AJB Capital Group, LLC, all transfers avoidable under Section 548(a)(1)(B) of the Bankruptcy Code for the benefit of the Estate.

WHEREFORE, Trustee demands judgment against Defendant, AJB Capital Group, LLC, determining the transfer of \$765,320.10 was constructively fraudulent and avoidable under Section 548(a)(1)(B) of the Bankruptcy Code and preserving the avoided transfer for the benefit of the Estate pursuant to Section 551 of the Bankruptcy Code and entering judgment in favor of the Trustee against Defendant, AJB Capital Group, LLC, in the amount of \$765,320.10 and for such other relief as is just and proper under the circumstances of this Adversary Proceeding.

COUNT V: MICHELLE CHARLES  
ACTUAL FRAUD UNDER 11 U.S.C. §§ 548(a)(1)(A), 550(a)(2) and 551

44. The Plaintiff incorporates all of the foregoing paragraphs 1 through 25 herein as if set forth verbatim.

45. This is a Count against Defendant, Michelle Charles, to avoid and recover a fraudulent transfer pursuant to Section 548(a)(1)(A), Section 550(a)(2) and Section 551 of the Bankruptcy Code.

46. The transfer of \$100,000 to Defendant, Michelle Charles, from Defendant, AJB Capital Group, LLC, occurred within two (2) years of the Petition.

47. The transfer of \$100,000 to Defendant, Michelle Charles, from Defendant, AJB Capital Group, LLC, was done with actual intent to hinder, delay or defraud a creditor.

WHEREFORE, Trustee demands judgment against Defendant, Michelle Charles, determining the transfer of \$100,000 from Defendant, AJB Capital Group, LLC, was fraudulent and avoidable under Section 548(a)(1)(A) and Section 550(a)(2) of the Bankruptcy Code and preserving the avoided transfer pursuant to section 551 of the Bankruptcy Code for the benefit of the Estate and entering judgment in favor of the Trustee against Defendant, Michelle Charles, in the amount of \$100,000 and for such other relief as is just and proper under the circumstances of this Adversary Proceeding.

COUNT VI: CORNELIS P. BOUWMEESTER  
ACTUAL FRAUD UNDER 11 U.S.C. §§ 548(a)(1)(A), 550(a)(2) and 551

48. Plaintiff incorporates all the foregoing paragraphs 1 through 25 herein as if set forth verbatim.

49. This is a Count against Defendant, Cornelis P. Bouwmeester, to avoid and recover

a fraudulent transfer pursuant to Section 548(a)(1)(A), Section 550(a)(2) and Section 551 of the Bankruptcy Code.

50. The transfer of \$90,000 to Defendant, Cornelis P. Bouwmeester, from Defendant, AJB Capital Group, LLC, occurred within two (2) years of the Petition.

51. The transfer of \$90,000 to Defendant, Cornelis P. Bouwmeester, from Defendant, AJB Capital Group, LLC, was done with actual intent to hinder, delay or defraud a creditor.

WHEREFORE, Trustee demands judgment against Defendant, Cornelis P. Bouwmeester, in the amount of \$90,000 from Defendant, AJB Capital Group, LLC, was fraudulent and avoidable pursuant to Section 548(a)(1)(A) and Section 552(a)(2) of the Bankruptcy Code and preserving the avoided transfer pursuant to Section 551 of the Bankruptcy Code for the benefit of the Estate and entering judgment in favor of the Trustee and against Defendant, Cornelis P. Bouwmeester, in the amount \$90,000 and for such other relief as is just and proper under the circumstances of this Adversary Proceeding.

DATED: June 19, 2019

/s/ Richard B. Webber II  
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